IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

Writ Petition No.5782 of 2006

Dena Bank. ..Petitioners.

vs

M/s USM Enterprises & ors. .. Respondents.

Mr. Rohit Shetty i/b M/s PDS Leal for the petitioners.
Mr. R.A. Shah with Ms Manisha Paladia i/b M/s Mansukhlal Hiralal and Co for respondent No.1.

CORAM: H.S. BEDI, C.J., &
V.M. KANADE, J.
DATE: OCTOBER 6, 2006.

P.C.:-

The order dated 23rd February, 2006 has been impugned in this petition. By the said order the appeal filed by the petitioners has been admitted and interim order granted on condition that the petitioners shall deposit a sum of Rs. 25 lacs within a period of four weeks and a further sum of Rs. 25 lacs within a period of eight weeks. It is the case of the petitioners that the said order had been passed bereft of any reasons as required under section 18 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“The Securitisation Act”). The petitioners state that the order does not spell out as to why such an order

had been made though a huge amount was due to the bank from the respondents.

The learned counsel for the respondents, however, argued that the question with regard to the very maintainability of the proceedings before the tribunal was in issue and as such no interference was called for. We find, however, that the impugned order does not spell out any reasons as required under section 18 of the Securitisation Act. Accordingly, we quash and set aside the impugned order and direct the tribunal to hear the parties and pass a reasoned order within a period of four weeks from today.

Petition is accordingly disposed of.

CHIEF JUSTICE

V.M.KANADE J.